



Gulf Coast Water Authority  
Board of Directors Regular Meeting  
Minutes  
August 20, 2015

**COUNTY OF GALVESTON**       §  
**STATE OF TEXAS**           §

The Board of Directors of the Gulf Coast Water Authority met on **Thursday, August 20, 2015, at 3:00 p.m.** at the Gulf Coast Water Authority's Administrative Office located at 3630 FM 1765, Texas City, Texas with the duly constituted board said to wit:

<i>James McWhorter</i>	<i>President</i>
<i>Russell Jones</i>	<i>Vice President</i>
<i>Sue Edrozo</i>	<i>Secretary – Treasurer</i>
<i>Gary Potter</i>	<i>Assistant Secretary – Treasurer</i>
<i>James Cesarini</i>	<i>Director</i>
<i>Ray Holbrook</i>	<i>Director</i>
<i>Shane Hamilton</i>	<i>Director</i>
<i>Cliff Mock</i>	<i>Director</i>
<i>George F Black</i>	<i>Director</i>

*All Board Members were in attendance. A quorum was present.*

*Also present: Ivan Langford, David Sauer, Bob Webb, John Martinez, Nancy Matthews, Renee Dondonay, Randy Jones, Thomas Gilbert, Scott Bounds, Ron Cox, Brenda Smith, Valeria Rodriguez, Robert Upton, Kevin Moore*

1. Convene Meeting

*James McWhorter called the meeting to order at 3:02 PM.*

2. Conflict of Interest Declarations

*Sue Edrozo declared a Conflict of Interest on Item 9a – Discussion and possible action authorizing the Board President to execute Amended and Restated Industrial Contracts with Union Carbide Corporation, Blanchard Refining Company, LLC, Marathon Petroleum Company, LLC, Valero Refining – Texas LP, Eastman Chemical Texas City, INC, Ashland, IND and City of Texas City.*

3. Requests to Address the Board

*No Requests to Address the Board*

4. Managers' Report

## 5. Board Committees

- Finance and Insurance Committee

*Chair Russell Jones reported him and committee members George Black, Cliff Mock met on August 20, 2015. Ray Holbrook was also in attendance. The committee discussed the amended budget, the amended water rates, and the revisions to the 401(k) Plan and also reviewed each individual fund of the GCWA Budget.*

- Safety Committee

*Chair Gary Potter reported him and committee members James Cesarini and Shane Hamilton met on August 13, 2015. Early in the morning, the committee met with Water Treatment Plant Staff to congratulate them on 4 years without a recordable injury. Later in the morning the committee reconvened and discussed the upcoming Safety Audit on August 27, 2015 and the Safety Recognition Luncheon on September 30, 2015 at Floyds on the Water at Harborwalk.*

## 6. Advisory Committees

- Industrial Advisory Committee

*Kevin Moore reported the committee met on August 5, 2015. The committee discussed the reliability of the water supply, the investment in the infrastructure development and the 20 year commitment.*

- Mainland Division Operating Advisory Committee

*The committee met on August 4, 2015.*

## 7. Consent Agenda

- a. Accept Minutes from the Board of Directors' Regular Meeting held July 16, 2015.
- b. Discussion and possible action to approve a Crossing Agreement between the Gulf Coast Water Authority and LLOTO, LLC for a 4-inch natural gas line crossing the Juliff Canal located in Brazoria County, Texas and authorization for the General Manager to sign the pertinent documents.
- c. Discussion and possible action to approve a Deed Without Warranty to Janie Camille Wood, for the release of property located in Abstract 548, Brazoria County, Texas, and authorization for the General Manager to sign the pertinent documents.
- d. Discussion and possible action to approve two Crossing Agreements with DOW Hydrocarbons and Resources LLC, for a 12-inch pipeline crossing the Chocolate Bayou Canal in Brazoria County and crossing potable waterlines near Hitchcock and La Marque in Galveston County, Texas, and authorization for the General Manager to sign the pertinent documents.

*Item C was pulled for further discussion.*

*Gary Potter seconded Sue Edrozo's motion to approve Items A, B and D of the Consent Agenda. The motion passed unanimously.*

*George Black seconded James Cesarini's motion to approve Item C of the Consent Agenda. The motion passed unanimously.*

8. Old Business

- a. Discussion and possible action to approve amendments to the Gulf Coast Water Authority 2015-2016 Budget previously approved at the June 26, 2015 Board Meeting.
- b. Discussion and possible action to approve amendments to the Gulf Coast Water Authority 2015-2016 Rate Order for Raw Water and Treated Surface Water.

*Item 8A regarding amendments to the Gulf Coast Water Authority 2015-2016 Budget and Item 8b regarding the Gulf Coast Water Authority 2015-2016 Rate Order for Raw Water and Treated Surface Water were compiled into a single motion.*

*Russell Jones seconded Shane Hamilton's motion to approve amendments to the Gulf Coast Water Authority 2015-2016 Budget previously approved at the June 26, 2015 Board Meeting and to approve amendments to the Gulf Coast Water Authority 2015-2016 Rate Order for Raw Water and Treated Surface Water. The motion passed unanimously.*

- c. Discussion and possible action to approve amending the Brooks Lake Diversion Weir Agreement between the City of Sugar Land and Gulf Coast Water Authority by extending the deadline to begin construction by one year via written notification and authorization for the General Manager to sign the pertinent documents.

*Russell Jones seconded Sue Edrozo's motion to approve the Letter of Amendment to Brooks Lake Diversion Weir Agreement between the City of Sugar Land and Gulf Coast Water Authority. The motion passed unanimously.*

- d. Discussion and possible action to approve a work authorization with HV Engineering, LLC for electrical engineering services related to the Industrial Pump Station Replacement and authorization for the General Manager to sign the pertinent documents.

*James Cesarini seconded Sue Edrozo's motion to approve a work authorization with HV Engineering, LLC, HV13-05, for electrical engineering services for the Industrial Pump Station Replacement in an amount not to exceed \$54,120.00 and to authorize the General Manager to sign the pertinent documents. The motion passed unanimously.*

9. New Business

- a. Discussion and possible action to authorize the Board President to Execute and Amend Restated Industrial Contracts with
  - Union Carbide Corporation
  - Blanchard Refining Company, LLC
  - Marathon Petroleum Company, LP
  - Valero Refining – Texas LP
  - Eastman Chemical Texas City, INC
  - Ashland INC
  - City of Texas City

*Sue Edrozo declared a Conflict of Interest which was filed with Renee Dondonay.*

*Gary Potter seconded James Cesarini's motion to authorize the Board President to Execute and Amend Restated Industrial Contracts with Union Carbide Corporation, Blanchard Refining Company, LLC, Marathon Petroleum Company, LP, Valero Refining – Texas LP, Eastman Chemical Texas City, INC, Ashland INC and the City of Texas City. The motion passed unanimously with the exception of Sue Edrozo who abstained.*

- b. Discussion and possible action to approve the Revised Strategic Plan as discussed at the June 26, 2015 Gulf Coast Water Authority Board of Director's Retreat.

*Gary Potter seconded Russell Jones's motion to approve the Revised Strategic Plan as discussed at the June 26, 2015 Gulf Coast Water Authority Board of Director's Retreat. The motion passed unanimously.*

- c. Discussion on the 2016 Region H Water Plan

- d. Discussion and possible action to approve Resolution 2015-005 adopting the Restatement of Gulf Coast Water Authority Employee 401(k) Plan and authorization for Plan Trustees to execute the plan.

*George Black made a motion to approve Resolution 2015-005 adopting the Restatement of the Gulf Coast Water Authority Employee 401(k) Plan and authorize the Plan Trustees to execute the plan.*

*Russell Jones seconded George Blacks amended motion to approve Resolution 2015-005 adopting the Restatement of the Gulf Coast Water Authority Employee 401(k) Plan with a directive for GCWA staff to continue revisions for the plan to meet federal compliance and authorization for Plan Trustees to execute the plan. The motion passed unanimously with the exception of James Cesarini who abstained.*

- e. Discussion and possible action on the Emergency Repairs to the Industrial Transmission Line resulting from the pipe failure on June 21, 2015.

*The General Manager authorized work in excess of the Board Approved spending cap of \$75,000.00. The repair was deemed an emergency in which repairs had to be made regardless of cost. No action was taken regarding the expenses incurred to repair the line.*

- f. Discussion and possible action on a construction contract with the proposer offering the best value, based on the competitive sealed proposal method, for Annual Contract for Water Transmission and authorization for the General Manager to sign the pertinent documents.

*Gary Potter seconded Ray Holbrook's motion to approve a construction contract with D. Wagner Construction Co. for Annual Contract for Water Transmission with an allocation of \$330,000.00 and authorize the General Manager to sign the pertinent documents. The motion passed unanimously.*

- g. Discussion and possible action to authorize the General Manager to execute a Consent to Assignment of the Salt Water Disposal Agreement dated February 21, 2013.

*Shane Hamilton seconded Russell Jones's motion to authorize the General Manager to execute a Consent to Assignment on the Salt Water Disposal Agreement dated February 21, 2013. The motion passed unanimously.*

10. Recognition of Outgoing Board Members

*Ivan Langford presented plaques to James McWhorter, Russell Jones, Sue Edrozo, Gary Potter, Ray Holbrook, James Cesarini, Shane Hamilton, Cliff Mock and George F Black, thanking the Directors for the time served and the contributions made to Gulf Coast Water Authority.*

11. Adjourn Meeting

*James McWhorter adjourned the meeting at 5:10 PM.*

Passed and approved this 17<sup>th</sup> day of September, 2015.



---

Eric Wilson, Acting Secretary  
Gulf Coast Water Authority Board of Directors